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In the Supreme Court of the United States

OCTOBER TERM, 1959

ABO MANUFACTURING CO., INC., ET AL., PETITIONERS

v.

CONVERTIBLE TOP REPLACEMENT CO., INC.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

MEMORANDUM FOR THE UNITED STATES AS AMICUS CURIAE IN SUPPORT OF THE PETITION FOR A WRIT OF CERTIORARI

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In the Supreme Court of the United States

OCTOBER TERM, 1959

No. 582

ARO MANUFACTURING CO., INC., ET AL., PETITIONERS

v.

CONVERTIBLE TOP REPLACEMENT CO., INC.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

MEMORANDUM FOR THE UNITED STATES AS AMICUS CURIAE IN SUPPORT OF THE PETITION FOR A WRIT OF CERTIORARI

STATEMENT

Respondent in this proceeding filed a complaint which charged petitioners with infringement and contributory infringement of a patent for a top for convertible automobiles. The patent covers the combination of a flexible top fabric, supporting structures, an automobile body, and a mechanism for sealing the fabric against the side of the automobile body in order to exclude rain from the car's interior. Tops embodying this patent have been installed in various models of Ford and General Motors convertibles. The components of the patented combination, other than the fabric, normally last the lifetime of the car, but the

fabric has a much shorter life and is usually replaced after three years of use, or oftener (J.A. 33–34). The consequent replacement demand for fabric tops has given rise to a sizable industry, of which petitioner Aro Manufacturing Co. is probably the national leader (*id.* 34). Its business has included manufacture and sale of fabrics designed to fit the models of Ford and General Motors convertibles equipped with tops embodying the patented combination on which suit is brought (*id.* 33).

On appeal from a judgment holding that petitioners had infringed respondent's patent, the court below stated that the "basic question" presented was whether petitioner's conduct constituted "making a permissible replacement of a part [the fabric] which expectedly became worn out or defective sooner than other parts of the patented combination" (Pet. 25), or whether such replacement constituted "a forbidden reconstruction of the combination" (*id.* 31). The court resolved this question in favor of "reconstruction", and hence patent infringement, upon the basis that "the life of the fabric is not so short, nor is the fabric so cheap, that we can safely assume that an owner would rationally believe that in replacing it he was making only a minor repair to his top structure" (*id.* 32–33).

INTEREST OF THE UNITED STATES

When a patented machine is sold by the patentee or his licensee, the purchaser is granted an implied li-

[1] We use the designation "J.A." to refer to the Joint Record Appendix in the court below, and the designation "Pet." to refer to the petition for certiorari.

cense of use. The patentee receives the reward for his patent monopoly from the profit opportunity afforded to him as sole maker and seller or from the royalties payable to him by those granted licenses to manufacture and sell. The question presented by the petition in the instant case which is of concern to the Government is whether the owner of a patent on a machine or combination comprised of unpatented elements is given the right to monopolize sale of an element thereof which has a substantially shorter life cycle than the machine's other components and must be replaced in order to preserve the continued utility of the purchased machine.[2]

The foregoing question is, we believe, of large public import. It raises an issue respecting the scope of the patentee's monopoly comparable to the issues passed upon in such cases as *Motion Picture Patents Co.* v. *Universal Film Co.*, 243 U.S. 502; *Carbice Corp.* v. *American Patents Corp.*, 283 U.S. 27; *Mercoid Corp.* v. *Mid-Continent Co.*, 320 U.S. 661. In these and other cases this Court has held that the patentee's monopoly is restricted to exclusion of others from manufacture, sale and use of the patented invention itself, and does not embrace monopolization of unpatented material used in, or necessary to the use of, the patented invention. It need hardly be stated that numerous enterprises, both in the automobile field and in many others, manufacture and sell unpatented replacement

[2] This is a restatement of the third question presented by the petition for certiorari (Pet. 3). The Government's failure to discuss the other questions presented by the petition is not intended to indicate disagreement with the petitioners' position on these questions.

parts and materials suitable for use in devices and machines which, in their totality, are covered by combination patents. The scope of the patentee's rights in relation to the activities of such enterprises has been a constantly recurring question and one of significant interest throughout the industrial economy.

As will be developed later, it is the Government's view that the holder of a patented machine or combination exhausts his patent rights when he or his licensee sells the machine covered by his patent, and that the purchaser or the purchaser's supplier does not infringe the patent upon replacement of an unpatented element which becomes unusable in ordinary course in advance of the other components of the combination, irrespective of the frequency of necessary replacements and irrespective of whether the replacement is relatively expensive and deemed by the purchaser to involve a major component.

DISCUSSION

1. Clearly and unmistakably the fabric top is an unpatented element of respondent's combination patent. Its patent covers only a combination of certain components, one of which is "flexible top material". Claims 1–9 of the patent each specifically begins: "In a convertible automobile body, the combination of * * *", and Claim 10, in which the word "combination" is omitted, equally claims combination only (J.A. 594–595). Since the patent makes no claim to invention based on the shape of the fabric employed, the fabric is an unpatented component of respondent's combination patent, and it is immaterial in this con-

ection whether the shape is such that it might have een patentable. The claim made in the patent is the easure of the grant.[3]

Since the patentee never claimed the fabric shape lone, the patent confers no monopoly grant over it, nd the patentee dedicated whatever invention lay in he separate elements of the combination claims. See ennock v. *Dialogue*, 2 Pet. 1, 16. In *Mercoid* this ourt said: "The patent is for a combination only. ince none of the separate elements of the combina- on is claimed as the invention, none of them when ealt with separately is protected by the patent onopoly." 320 U.S. at 667.

The court below, while referring to the flexible top aterial as having "patentable novelty" (Pet. 28), id not hold that this material was *patented*, which s the only relevant consideration. In fact, the court mplicitly held that the fabric part of the top was not self patented. If tops of the shape employed in espondent's combination patent were themselves pat- nted, petitioners unquestionably infringed the patent hen they manufactured and sold, as was found, abric tops of such shape. Determination of such in- ringement would have made unnecessary and irrele- ant what the court said was the "basic question" in he case, *i.e.*, whether replacement of the fabric por- ion of the top constituted replacement of a worn-out art of the combination or forbidden reconstruction hereof.

[3] *Graver Mfg. Co.* v. *Linde Co.*, 336 U.S. 271, 277; *Universal Oil Co.* v. *Globe Oil & Ref. Co.*, 322 U.S. 471, 484; *Milcor Steel Co.* v. *Fuller Co.*, 316 U.S. 143, 145–146.

2. *Motion Picture Patents Co.* v. *Universal Film Co.*, 243 U.S. 502, this Court held that the monopoly of a patent does not extend to licensing it upon the condition that the licensee purchase from the patentee unpatented materials necessary to the operation of the licensed patent. The Court held (p. 517) that to permit the patentee to "derive its profit, not from the invention on which the law gives it a monopoly but from the unpatented supplies with which it is used", is "wholly without the scope of the patent monopoly".* And the Court, after quoting the provisions of § 3 of the Clayton Act, which prohibit sale or lease of goods, "whether patented or unpatented", on the condition or agreement that the purchaser or lessee not use or deal in goods of a competitor of the seller or lessor, said that this enactment "must be accepted by us as a most persuasive expression of the public policy of our country with respect to the question before us". 243 U.S. at 517–518.

Carbice Corp. v. *American Patents Corp.*, 283 U.S. 27, 33, held that the doctrine of *Motion Picture Patents Co.* is applicable even though the unpatented material over which the patentee-licensor has sought to extend his monopoly is a "necessary" element of the patented product or the "dynamic" element of a patented combination.

If the grant of a combination patent confers upon the patentee power to exercise dominion over replace-

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* See, also *Carbice Corp* v. *American Patents Corp.*, 283 U.S. 27; *Leitch Mfg. Co.* v. *Barber Co.*, 302 U.S. 458; *Morton Salt Co.* v. *G. S. Suppiger Co.*, 314 U.S. 488; *B. B. Chemical Co.* v. *Ellis*, 314 U.S. 495.

ment of a worn-out, unpatented part of the combination—a replacement which is necessary if the patented machine or combination is to remain operative and perform the function for which it was purchased—the patentee would be given the same kind of partial monopoly over unpatented materials held not to be within the legitimate scope of the patent monopoly in *Motion Picture Patents Co.* and *Carbice.* To sanction such control would be to permit the patentee "to derive its profits, not from the invention on which the law gives it a monopoly, but from the unpatented supplies" necessary to its use or operation by the licensee or purchaser.

We submit that the decision of the court below runs counter to the tests held to be controlling in *Wilson* v. *Simpson,* 9 How. 109, the leading case in this Court dealing with the distinction between legitimate repair or replacement of parts of a patented machine and forbidden reconstruction. The case concerned a patented planing machine, the invention consisting of a combination of cutting knives with a pressure roller. The purchaser was there held to have the right to replace the knives, which normally wore out after 60 or 90 days of use. The Court said that, although there is no right to "rebuild" a patented combination, the machine exists notwithstanding the fact that destruction or impairment of one of its elements renders it inoperative; and that accordingly replacement of a worn-out essential part is permissible restoration of the machine to the original use for which it was bought. 9 How. at 123. The Court explained further that it is "the use of the whole" of

the combination which a purchaser buys, and that repair or replacement of a damaged or destroyed part is an exercise of the right "to give duration to that which he owns, or has a right to use as a whole." *Ibid.*[5]

Mercoid Corp. v. *Mid-Continent Co.*, 320 U.S. 661, is also directly in point. The Court there held that the scope of the patent grant conferred upon the owner of a combination patent does not embrace an unpatented appliance, even though it is an essential part of the combination; and that one who supplied such unpatented appliance, even though it was not a common article of commerce and was expressly designed for use in the patented combination, might not be held as a contributory infringer. If original supply of an unpatented element of a combination patent is not within the patent monopoly, *a fortiori* replacement thereof is not within the monopoly. We note, moreover, that the basic holding in *Mercoid* is not affected by such limitations as the enactment of 35 U.S.C. 271(c) imposed on the ruling in *Mercoid* respecting contributory infringement.[6]

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[5] *Morgan Envelope Co.* v. *Albany Paper Co.*, 152 U.S. 425, and *Heyer* v. *Duplicator Mfg. Co.*, 263 U.S. 100, likewise held that there is no infringement when the purchaser or licensee of a patented machine or combination replaces an element of the combination which has a temporary period of usefulness, so that replacement is known to be necessary for continued utilization of the machine or combination. These cases, on their facts, came clearly within the decision in *Wilson* v. *Simpson*.

[6] Section 271(c) states: "Whoever sells a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in

The provisions of § 271(c) with reference to contributory infringement are not reached until it is determined that respondent's patent was infringed by use of petitioners' fabric tops in the replacement of the worn-out fabric of convertible automobile tops where the tops installed as original equipment were covered by respondent's patent. There can be no contributory infringement in the absence of direct infringement. *RCA Mfg. Co.* v. *Andrea,* 79 F. 2d 626 (C.A. 2); *Bullock Elec. Co.* v. *Westinghouse Elec. Co.,* 129 Fed. 105 (C.A. 6). Mr. Justice Frankfurter stated in *Mercoid,* "In a word, if there is no infringement of a patent there can be no contributory infringer" (320 U.S. at 677); and Mr. Justice Roberts also observed in that case that "if the purchaser and user could not be amerced as an infringer certainly one who sold to him * * *. cannot be amerced for contributing to a non-existent infringement" (*id.* 674).[1] Moreover, § 271(c) defines contributory infringement in terms of infringement. It establishes liability as a contributory infringer where a component of a patented machine or combination is sold under specified circumstances, one of which is that the component is known to be especially adapted for use in "an infringement" of such patent.

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an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer."

[1] Although these were dissenting opinions, there is nothing in the majority opinion indicating any disagreement with the proposition that there can be no contributory infringement in the absence of infringement.

We also note that, while the distinction between repair or replacement and reconstruction may under some circumstances be one of fact, the question of the ground rules for resolving this question is one of law, and what is at issue in this case is the validity of the criteria applied by the court below.

We believe that the decisions of this Court warrant and require the conclusion that reconstruction of a patented machine or combination comprised of unpatented components is to be limited to true reconstruction of the machine, that is, re-creating it after the machine, viewed as a whole, has been destroyed or has otherwise disintegrated. We submit that, at the very minimum, the monopoly of such a patent grant is not infringed by replacement of an unpatented part normally having, and expected to have, a useful life shorter than the normal and anticipated life of the entire machine which, as distinct from its separate parts, alone had value for the purchaser.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that the petition filed in this case should be granted.

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